GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1174
ANSWERED ON:24.10.2008
IMPORT DUTY ON CANCER DRUGS
Yaskhi Shri Madhu Goud

Will the Minister of FINANCE be pleased to state:

(a) whether the import duty on some cancer drugs is an high as 35 percent;

(b) if so, the details of such drugs;

(c) whether the government had exempted life saving cancer drugs from import duty in 2007;

(d) if so, whether the Government is yet to notify most of such cancer drugs on the customs list;

(e) if so, the reasons for delay;

(f) whether any official responsible for the situation has been brought to the book; and

(g) if so, the details thereof and the corrective measures taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a)&(b) Currently drugs and medicines attract general rate of basic customs duty @ 10%, countervailing duty equal to excise duty @ 8% and 4 % additional duty of customs in lieu of state/local taxes. In addition, education cess @ 3% of the aggregate of duties of customs is also charged on such drugs. Thus, the total incidence of import duty on drugs and medicine including cancer drugs is about 24.55%, unless they are otherwise exempt.

(c)&(d) No life saving drugs including cancer drugs were exempted in 2007. Exemption from customs duty /concessional rate of customs duty have been provided by the Government from time to time on specified life saving drugs including cancer drugs taking into account all relevant factors such as local availability, domestic production, need for such drugs in the country, safety and efficacy of the drug and whether such drugs are of life saving nature etc.

(e),(f)and(g) Does not arise in view of (c) and (d) above.